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ABSTRACT

This document contains testimony from two Senate hearings on the Reemployment and Training Act of 1994 by U.S. Secretary of Labor Robert B. Reich and other witnesses concerning the Act and the need for changes in the Worker Adjustment and Retraining Notification (WARN) Act, which requires employers to notify employees of impending layoffs. According to Reich, the Reemployment and Training Act is a response to the problem of long-term unemployment and the need to retrain workers dislocated from older industries and prepare them for high-skills jobs in emerging industries. The Reemployment Act rests on four core principles: (1) universal access and program consolidation; (2) customer focus, giving workers a range of options and letting them choose the services they need to get the next job; (3) market-driven retraining; and (4) accountability. The Reemployment Act includes five titles. Title I establishes a comprehensive program for dislocated workers, regardless of the cause of dislocation. Title II establishes a program of income support for permanently dislocated workers while they are pursuing courses of retraining. Title III establishes a national program of grants and waivers to encourage and enable states to develop networks of one-stop career centers; Title IV establishes a national labor market information system to provide universal access to information about where the jobs are and the skills that the jobs require. Title V gives the Secretary of Labor authority to waive federal laws to empower states and localities to streamline job training programs for disadvantaged persons. Witnesses at the second hearing included the following: laid-off workers who testified about the need for retraining; officials of several job training programs who suggested what works in job retraining; and city officials, job training managers, and laid-off workers who testified about how the WARN Act works and how the legislation should be strengthened. (KC)

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THE REEMPLOYMENT AND TRAINING ACT OF 1994

March 16, 1994 2:30pm
430 Dirksen Senate Office Building

WITNESS LIST

PANEL I

Honorable Robert B. Reich
U.S. Secretary of Labor
Washington, D.C.

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STATEMENT OF
ROBERT B. REICH
SECRETARY OF LABOR
BEFORE THE COMMITTEE ON
LABOR AND HUMAN RESOURCES
UNITED STATES SENATE

March 16, 1994

Chairman Kennedy, Senator Kassebaum, and distinguished Members of the Committee:

I am proud to have the opportunity today to put before you President Clinton's proposed Reemployment Act of 1994, and to explain the role of this Act in equipping all Americans to prosper in the new economy.

In many ways, the economic picture is clearly improving. Production has surged in recent quarters. Two million jobs have been created in the past thirteen months--1.9 million in the private sector. Accompanying this job growth has been a significant decline in unemployment. And thanks to the discipline and determination of you in Congress, as well as President Clinton's commitment to fiscal responsibility, we have finally begun to regain control of our financial destiny. Next year's deficit has been reduced by forty percent, and future deficits have been firmly set on a downward path.

But recovery is not enough. Budgetary discipline, macroeconomic improvement, production increases, and job growth

are all critical elements of national prosperity. But without a workforce strategy explicitly geared to preparing all Americans for productive, rewarding work, we risk leaving some of our fellow citizens behind as the economy moves ahead. And this we cannot, and need not, accept.

Long-term Joblessness and the Skills Gap

The welcome decline in overall joblessness masks a continuing problem of long-term unemployment. Despite the recovery, in 1993 the average duration of unemployment nearly equalled its postwar peak. Only fourteen percent of the workers who lost their jobs in the most recent recession expected to be called back. The rest recognized that their old job was gone for good--the highest percentage of permanent job loss ever recorded.

Permanent job loss and long-term unemployment--especially against a backdrop of recovery--are symptoms of structural change in the economy. The main thrust of this structural change involves the increasing importance of skills, a shift in favor of workers with high-level skills and against those without them. More than ever, what you earn depends on what you learn. If you have the skills that come with a college degree, an associate degree, an apprenticeship certificate, training provided by an employer, or other education beyond high school, your odds for finding a job paying a middle-class wage are good.

Meanwhile, unskilled workers, or those whose skills have become obsolete, find their options shrinking as the old economy of stable mass production and unchallenged American economic preeminence disappears. The days when a worker could walk to the factory gates right out of high school and claim a lifetime middle-class job are fading into history. For both men and women, and at every level of educational attainment--college degree, some college, high school graduate, high school dropout--the earnings gap between the skilled and the unskilled is widening. A typical college graduate, for example, earns seventy percent more than a worker with similar demographic characteristics, but who only has a high-school diploma. Comparable trends apply for the risk of unemployment, and for access to pensions and other benefits: Those with skills do well; those without them are increasingly vulnerable.

While traditional paths to the middle class for workers without college degrees appear to be narrowing, new routes are opening--sometimes even in the same industries. For example, auto plants are beginning to hire again after years of layoffs. But rather than tapping the unskilled and semiskilled workers who once filled entry-level jobs tending the assembly lines, the auto companies are turning to better educated workers. They must. Because the increasing sophistication of production technology and the flattening of the management hierarchy mean that production workers are required to take initiative, make

decisions, and exercise discretion. The old distinctions between manager and managed are breaking down. Overall, this is a hopeful development for America. It offers the prospect of less drudgery and routine, more opportunity for all Americans to work with dignity and to develop their potential. But it also means that workplace skills become the ticket of entry into a wider range of careers, including those that used to be open to the unskilled.

About a third of recent production-line workers hired at Ford, for example, had some training beyond high school. (Ninety-seven percent of Ford's recent hires hold high-school degrees; compared to only eighty percent of its overall workforce.) Elsewhere in Detroit, a city still plagued by staggering levels of long-term joblessness, nearly a thousand precision-machining graduates of the Machinist Training Institute have found jobs with local businesses. Across the country in San Jose, California, where workers with obsolete skills are suffering from relentless waves of layoffs, the Center for Employment Training provides intensive skills training, coupled with basic education, to disadvantaged clients and dislocated workers. Companies like San Jose's Touche Manufacturing, which builds computer shells, hire as many of the Center's graduates as they can get.

In industry after industry, managers recognize the importance of high-level skills. The Business Roundtable has

adopted as one of its guiding principles the precept that investment in workforce training is an urgent priority for U.S. competitiveness, and that America must be as "willing to invest in upgrading people as we are in upgrading machinery."[1] While ultimately each American has to take responsibility for his or her own economic destiny, we must bolster our individual efforts with a national response to the challenge of economic change, and business and government each has its role to play in forging that response.

Americans are used to economic challenges. Less than a century ago, for example, we mastered the move from the farm to the factory. Today, many Americans confront the challenge of moving from the factory to the computer workstation. I have no doubt that today's Americans are as determined and resilient as their predecessors four generations ago.

What is different today, however, is the scale and speed of economic change. Global competition, defense downsizing, technological advances, and corporate restructuring are combining to produce new levels of anxiety about job security. In the first two months of this year, large companies announced plans to eliminate more than 140,000 jobs, to set a record-breaking pace of corporate downsizing. And last week, a New York Times poll

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[1]Workforce Training and Development for U.S. Competitiveness, August 1993

revealed that nearly four out of ten employed Americans fear that they might be laid off, or forced to take a pay cut or reduced hours, within the next two years. No segment of American society is immune to job anxieties, and industrial upheavals affect top executives, mid-level managers, and frontline workers alike. But those hardest-hit by economic change, and those who stand to benefit most from a more effective reemployment system, are the most vulnerable members of our economic community--women, minorities, and the unskilled. African-Americans and Hispanic Americans face higher-than-average risks of dislocation, and over one-fifth of the workers displaced from jobs in 1990 and 1991 came from families living below the poverty line.

Government policy and programs must recognize and reflect these new realities. We must not offer Americans the false hope of burrowing into a single job for life. Instead, we must equip them to find security through the skills and flexibility that will let them face a changing economy with confidence.

The widening gap between the winners and losers from economic change is neither inevitable nor unbridgeable. Because even amidst long-term unemployment and job anxiety, the new economy is generating a strong, steady demand for workers with high-level skills. And workers are not born skilled. They earn their skills, and they earn them through processes that policy can affect and improve. The Reemployment Act of 1994 reflects a

recognition of this fact, and a commitment to make government play its role, responsibly and efficiently, in equipping the American workforce to succeed in the skill-based modern economy.

The Reemployment Act's Key Principles

Our current array of unemployment programs was designed in an earlier time, to meet the needs of a simpler economy. The system must be fundamentally reshaped to meet the very different requirements of today's workers facing today's challenges. It must be transformed from an unemployment system to a reemployment system.

The Reemployment Act of 1994 is meant to accomplish this transformation. Once it is fully implemented, it will serve about 1.3 million dislocated workers each year--the full population estimated to want and need reemployment services. (Today's dislocated worker programs reach fewer than 400 thousand workers.) The Act's design is based on a rigorous assessment of what workers need to prosper in today's changing economy, and on systematic study of what works for getting them into new and better jobs. The Reemployment Act reflects four core principles:

1. First is universal access and program consolidation. The current patchwork of programs for dislocated workers is inefficient, confusing, and frequently unfair. The Reemployment

Act will immediately consolidate all major dislocated-worker programs into an integrated service system geared to deliver what workers need to get their next job, regardless of why they lost their last job. Six programs, including Economic Dislocation and Worker Adjustment Assistance (EDWAA); Trade Adjustment Assistance (TAA); NAFTA Transitional Adjustment Assistance; the Defense Conversion Adjustment Program; the Clean Air Employment Transition Assistance Program; and the Defense Diversification Program--will be folded into a single program with uniform eligibility standards and streamlined delivery.

Instead of forcing customers to waste their time and try their patience going from office to office, the new system will require States to provide services for dislocated workers through career centers. It also allows States to compete for funds to develop a more comprehensive network of one-stop career centers to serve under one roof anyone who needs help getting a first job, new job, or better job, and to streamline access to a wide range of job training and employment programs.

The immediate move to consolidated service for dislocated workers will ease the frustration they suffer with the current system and accelerate their progress to reemployment. The gradual creation of <u>universal</u> one-stop career centers, as States opt into the system, will have even more profound consequences. It will counteract past tendencies to create wholly different

services and access channels for different sets of workers--often segregating the disadvantaged into separate service delivery systems--and encourage moves toward mainstream programs serving all citizens. It will reinforce the incentives for streamlining and consolidation set up by other provisions of the Act. And it will offer new opportunities for innovation, experimentation, customer orientation, and service excellence.

One-stop service--coupled with new authority to waive rules and regulations that block innovation and impede efficiency--creates a sturdy framework for building more and more customer-level consolidation into America's employment and training system. As the one-stop component of the Reemployment Act is implemented state by state, it will catalyze continual progress toward less duplication and overlap, simpler rules, leaner administration, lower overhead, less bureaucracy, and more efficiency.

2. The second principle is <u>customer focus</u>, giving workers a range of options and letting them choose the services they need to get the next job. The system the Act establishes offers a rich array of alternative services, to meet the needs of a diverse workforce in a complex economy. Once the Act is fully implemented for dislocated workers in fiscal year 2000, we estimate that about eight percent of its resources will be devoted to worker counseling and assessment; about twenty percent

to job-search assistance; about eight percent to pay for supportive services; about thirty-six percent for training; and about twenty-eight percent for income support for workers whose reemployment plans indicate that long-term training is needed.

Most dislocated workers want and need only information and some basic help in assessing their skills and conducting their job search. These services are relatively inexpensive, and have been shown to pay off immediately in less time spent unemployed. Research and pilot projects have demonstrated that basic reemployment services are excellent workforce investments, for the worker, for employers, and for the taxpayer. These basic reemployment services help dislocated workers do what they want to do -- get back to work. The Reemployment Act will ensure that these services are delivered early, when they can do the most good, and are targeted on workers best able to benefit from them.

Better information is what makes the Act's customer focus meaningful. Too often, workers must look for a new job without enough data, or with the dubious guide of outdated or low-quality information. The difficulty of gaining a complete picture of labor market conditions and trends can make job prospects seem misleadingly bleak, and cause workers to miss opportunities to put their skills to use, or to upgrade their earning potential through relatively simple skill investments. The current system--where responsibility is scattered through multiple programs, and

where there are few incentives or institutions to integrate information--squanders much of the potential of modern information technology.

The Reemployment Act will bring jobs data from the age of the horse and buggy into the age of the information superhighway. It will combine job data systems and expand access to good data on where jobs are and what skills they require. By bringing the nation's workforce information up to modern standards, it will effect a relatively inexpensive improvement with potentially major results.

3. The third principle is market-driven retraining for workers who need it to get their next job. While most dislocated workers need only job-search assistance to find where best to use their skills, some--we estimate about thirty percent--need to learn new skills. Past retraining programs have had limited effect in part because they failed to ensure that workers were trained only for skills in demand; because they had inadequate provisions for customer choice and quality control; and because they relied too heavily on short-term training programs that have proven ineffective at changing the prospects of typical dislocated workers. Retraining, for workers who need it, often means a sustained program lasting a year or more.

Training that doesn't lead to a job cheats the worker, the taxpayer, and everyone with a stake in a productive, flexible American economy. The Reemployment Act links training with jobs in three ways. By giving customers choices about where to get their training, it gives suppliers powerful incentives to tailor their curriculums to labor-market trends and to guarantee results. By building up the nation's labor-market information system and offering all customers access to performance information on training providers and jobs data, it empowers workers and employers to make better decisions, and strengthens the links between training programs and the working world. And by requiring a high-level business majority on the board overseeing local training programs (private-sector representatives must be chief executive officers, plant managers, or business owners), it ensures that market perspectives will shape every aspect of the system.

The Reemployment Act includes provisions for income support for workers who need it to complete their retraining programs. A combination of grants, and where appropriate, student loans will fund training programs. Income support during training will be delivered through the Unemployment Insurance system.

4. The fourth principle, which fortifies the other three, is <u>accountability</u>. The Reemployment Act of 1994 restructures the incentives facing all those who make up the system--public

officials, program managers, center operators, service suppliers--to make them treat workers as customers. Those who do right by their customers, who deliver high-quality services leading to positive workforce outcomes, will prosper in the new system. Those who fail to do so will see their funding dry up.

Accountability means devoting resources to what works, and getting rid of what doesn't work. It means streamlining and consolidating wherever possible, so that workers don't need to spend their time navigating administrative mazes, and so that taxpayers don't need to support unproductive bureaucracies.

Accountability is a universal principle. But the principle of accountability must be realized differently in different settings. The Reemployment Act avoids the error of mandating a single approach to accountability to fit a complex and diverse nation. Instead, it seeks to ensure that no part of the system is exempt from the imperative to deliver value to customers, while leaving room for local experimentation and diversity in serving that imperative. It requires funding decisions to be divorced from program delivery, so that conflicts of interest do not erode accountability. It allows States and localities to create competitive systems with multiple suppliers, if that approach to accountability fits their circumstances. But it also allows States and localities which have developed collaborative approaches to accountability to continue down that path, so long

as customers are well-served. The Reemployment Act neither specifies nor bars particular models for service delivery, but puts the emphasis on results.

And accountability, finally, means budgetary discipline. The Act is designed with a keen awareness of fiscal limits. Of the total $13 billion in 5-year costs, about $5.6 billion represents a net increase in the baseline program from FY95 through FY99, and the total fits within the caps on discretionary spending. A large part of the discretionary financing comes from consolidating separate dislocated worker training programs into this integrated system. Additional discretionary funds come from reductions in other Federal programs. The mandatory component is financed by offsets from consolidation, and by extending and rededicating Federal Unemployment Insurance revenues to income support to individuals participating in job training. This component is the only non-discretionary spending in the Reemployment Act, and it is firmly capped in the legislation.

An Overview of the Reemployment Act

Title I of the Reemployment Act establishes a comprehensive program for dislocated workers, regardless of the cause of dislocation. It consolidates the six current Labor Department dislocated-worker programs into a single integrated system. Outreach efforts, including State rapid response programs and

stepped-up efforts to identify early on workers at risk of long-term joblessness, will improve the deployment of program resources. This title requires local programs to organize Career Centers for dislocated workers, and specifies the range of reemployment services the Centers will deliver or arrange. Career Centers may be run by the Employment Service, the Job Training Partnership Act administrative entities, community colleges, vocational schools, community-based organizations, or other non-profit or for-profit organizations which can demonstrate the capacity to deliver.

Title I also outlines the requirements for high quality training, and sets up systems of performance standards and information to ensure the accountability of training providers and to inform customer choices. Finally, it includes provisions for governors to devote a portion of State reserve funds to skill-upgrading programs aimed at job retention, and for the Secretary of Labor to manage a national discretionary grant program.

Title II establishes a program of income support, delivered through the Unemployment Insurance system, for permanently dislocated workers while they are pursuing courses of retraining. It also specifies the funding source for that income support, and ensures that once the system is fully implemented retraining income support will not be subject to the annual appropriations

process. At the same time, it puts effective caps on income-support spending. And it adds adaptability to the whole system by giving states new options on unemployment insurance, including letting them pay "reemployment bonuses" to workers who find new jobs quickly, "short-time" insurance to promote alternatives to layoffs, and self-employment assistance to encourage entrepreneurial efforts by jobless workers.

Title III establishes a national program of grants and waivers to encourage and enable States to develop networks of One-Stop Career Centers. These Centers, which substantially extend the one-stop approach of Title I, offer a common point of access to employment, education, and training information and services for employers, and for all citizens who need help getting their first job, a new job, or a better job. Local Workforce Investment Boards will be selected by local elected officials to serve as the "board of directors" for all workforce programs. These Boards will have high-level business representatives comprising their majorities, but will also have balanced representation of labor, education, and other community groups. The Private Industry Councils set up under JTPA may become Workforce Investment Boards, but only if they meet all the new requirements.

The One-Stop Career Centers may be run by a consortium of organizations, including the Employment Service, the State UI

agency, and agencies administering JTPA Title II and the dislocated worker program authorized under Title I of the Reemployment Act. Alternatively, States and localities may opt for a competitive approach under which the Employment Service and other organizations are chartered to run One-Stop Career Centers. Under either option, these One-Stop Career Centers will be required to meet customer-oriented performance measures, and will be evaluated annually.

One-Stop Career Centers will provide basic services to anyone who needs help getting a job, and will provide more intensive services to dislocated workers as well as other clients as appropriate. They will also coordinate and integrate the delivery including not just of dislocated worker programs and the Wagner-Peyser Act but also Title II of JTPA, veterans' employment and training programs, the Senior Community Service Employment program under Title V of the Older Americans' Act, and programs authorized under a range of Federal and State Unemployment Insurance laws. The Centers may also integrate other programs such as JOBS, the Job Corps, and adult and vocational education.

Under Title III, States may apply for both planning and implementation grants to build one-stop networks, and can also request waivers of a range of statutory and regulatory requirements for specific Labor Department programs, when such

requirements unnecessarily constrain the development of innovative, integrated State workforce strategies.

Finally, Title III requires participating States to establish Human Resource Investment Councils to advise Governors on the coordination and consolidation of all workforce programs and policies. It also requires local Workforce Investment Boards, local elected officials, One-Stop Career Center operators, and participating programs--along with the Governor--to enter into an operating agreement to govern the one-stop networks, and requires State-level "customer service compacts" to set a framework for accountability throughout the system.

Title IV establishes a National Labor Market Information system to provide universal access to timely, accurate, and comprehensive information about where the jobs are, the skills and experience needed to secure and perform good jobs, the location and performance of training programs, and other workforce data. The system will also provide employers with information on job candidates, and will give all clients data on job, career, and skill trends so they can make more-informed decisions that will collectively improve the labor market's efficiency.

Title V extends the themes of flexibility and innovation to title II of the Job Training Partnership Act, by giving the

Secretary of Labor authority to waive Federal statutes and regulatory requirements to empower States and localities as they seek to refine, streamline, innovate, and integrate job training programs for disadvantaged adults and young people.

The Reemployment Act of 1994 is about giving Americans the tools they need to take control of their own careers. It is inspired by the themes of customer choice, accountability, and universal access. And it is informed by systematic attention to empirical evidence, and a deep commitment to what works. The evidence shows that skills pay off. The evidence shows that skills can be learned. The hard-won experience from decades of economic change, and from too many programs that failed to deliver as they should for workers and taxpayers, shapes the structure of the Reemployment Act. Through respect for the evidence, and through persistence in pursuit of the American tradition of broadly-shared middle class prosperity, we can help prepare Americans to succeed in the skill-based economy taking shape all around us today. There is no excuse for leaving a single person behind.

This concludes my prepared remarks. I would be glad to answer any questions.

THE REEMPLOYMENT ACT AND WARN:
HELPING WORKERS MAKE SUCCESSFUL TRANSITIONS

Hearing Before the Subcommittee on Labor
Committee on Labor and Human Resources
United States Senate
July 26, 1994, 9:00 a.m.
430 Dirksen Senate Office Building

WITNESS LIST

PANEL I

John Sweeney
President, Service Employees International Union
Washington, DC

PANEL II

Paula Halloway
Former employee of Eastern Stainless Steel
Baltimore, Maryland

Arnold Page
Former employee of Armco Steel
Baltimore, Maryland

Stan Lundine
Lieutenant Governor of New York
Representing the New York State Gateway Project
Albany, New York

John Kiley
Director, Eastern Iowa Job Training Program
Davenport, Iowa

PANEL III

Patrick McManus
Mayor, City of Lynn, Massachusetts
On behalf of the U.S. Conference of Mayors

Charles L. Best, Jr.
Director, King County Reemployment Support Center
Seattle, Washington

Christine Marie Scriver
Former employee of Greenbriar Industries
Lake City, Tennessee

U.S. Senator Howard M.
METZENBAUM
of Ohio

Committees:
Judiciary
Labor and Human Resources
Select Committee on Intelligence
Environment and Public Works

Chairmanships:
Subcommittee on Antitrust
Subcommittee on Labor

This morning the Labor Subcommittee will hear testimony on the Reemployment and Retraining Act of 1994 and the WARN Amendments Act. These bills address one of the most serious issues facing working men and women today--worker dislocation.

The changing economy has meant that more and more Americans find themselves without a job. Between 1987 and 1992, 15 million Americans lost their jobs. Almost 8 million are currently unemployed. Increasingly, dislocated workers have to find not only new jobs, but new careers. This trend affects all Americans -- from workers on the factory floor to CEO's -- who are facing a new workplace with changing skill requirements and little or no job security.

The Administration's response has been the Reemployment Act which I introduced on behalf of President Clinton and Secretary Reich. Their vision is to create a state of the art reemployment system which will help workers who lose their jobs receive guidance in their job search, referral and funding to retrain for a new career, and income support to allow for longer, more effective training. I commend the Administration for its attention to this issue. Serious investment in our nation's workforce is long overdue, and helping dislocated workers to reenter the workforce is the right place to start.

Assisting dislocated workers who are the innocent victims of economic trends and fluctuations of the economy is our moral obligation.But ultimately, this assistance is no substitute for jobs. We have to face facts: too many of the jobs we are creating are part-time or temporary. Creating good full-time jobs must be part of any dislocated worker assistance policy.

In today's first two panels we will hear from organized labor as well as workers who have been through the sometimes trying process of getting back on their feet after losing their jobs. We will also hear about two programs that are already bringing state-of-the-art assistance to dislocated workers.

Our third panel this morning will help us understand the importance of giving workers and local communities advance notice of dislocations. Advance notice is critical to early intervention efforts, and to the success of dislocated worker assistance programs as a whole.

Many have benefitted from the WARN Act's advance notice requirements, but there are substantial problems. First, half of the mass layoffs in this country are not even covered by the law. Second, half of the employers that are covered are not complying with the Act's 60 day notice requirement. Third, the enforcement rate for the many thousands of WARN Act violations has been absurdly low, at about one percent.

I have introduced the WARN Amendments Act, S. 1969, to address these problems and give the Reemployment Act's programs a chance to work. The third panel this morning will focus on the critical link between advance notice and dislocated worker assistance programs.

I look forward to the testimony of today's witnesses.

SERVICE EMPLOYEES
INTERNATIONAL UNION, AFL-CIO, CLC
1313 L STREET N.W. • WASHINGTON, D.C. 20005 • (202) 898-3200

JOHN J. SWEENEY
INTERNATIONAL PRESIDENT

RICHARD W. CORDTZ
INTERNATIONAL SECRETARY-TREASURER

TESTIMONY

OF

JOHN J. SWEENEY
INTERNATIONAL PRESIDENT

OF THE

SERVICE EMPLOYEES INTERNATIONAL UNION, AFL-CIO

ON THE REEMPLOYMENT AND RETRAINING ACT OF 1994

BEFORE THE

SUBCOMMITTEE ON LABOR

OF THE

COMMITTEE ON LABOR AND HUMAN RESOURCES

JULY 26, 1994

Good morning. I am John Sweeney, President of the Service Employees International Union (SEIU). SEIU represents over one million members, including some 15,000 who work in various facets of the employment security system. These workers have hands-on experience with the provision of career counseling and job referral services to unemployed and dislocated workers. On their behalf, I want to thank Chairman Metzenbaum and the other members of the subcommittee for this opportunity to testify on S. 1964, the Reemployment and Retraining Act of 1994.

For the first time in well over a decade, we have an administration that is willing to tackle the problems facing workers during this era of massive economic restructuring. President Clinton's Reemployment and Retraining Act will help streamline access to services that will help unemployed workers regain entry into the job market as quickly as possible.

Most workers in the United States have faced the threat of job loss at one point or another in their lives. In good times and bad, large numbers of workers have been laid off -- either permanently or temporarily -- when their firms experience periods of weak demand for their products.

In recent years, however, there has been a dramatic change in the U.S. labor market. Rapidly evolving technology, the reorganization of work, and trade liberalization have allowed firms to eliminate hundreds of thousands of jobs. Those subsequently dislocated often have difficulty finding new jobs at wages and benefits that are comparable to what they received in their old positions.

Workers in the service sector, who earn low wages to begin with, are highly vulnerable to shifting economic winds because they often have minimal education and lack transferable job skills. Data from the Congressional Budget Office show that roughly half of all displaced workers were employed in service-producing industries. While many existing dislocated worker programs do a good job serving targeted groups of workers, those programs often have not reached workers in the service sector, the most rapidly growing sector of the U.S. economy.

The evidence of growth in long-term unemployment is compelling. In 1992, 75 percent of laid-off workers were on permanent layoff -- the highest annual proportion since such tracking began in 1967. The length of unemployment spells has also increased over the last two decades. During the 1970s, an average of 11 percent of the unemployed were out of work for six months or longer. In the 1980s, long-term unemployment averaged 15 percent of total unemployment. Last year, 21 percent of the unemployed hadn't worked in six months -- the second highest annual level since the end of World War II.

These changes in the labor market have highlighted some of the "holes" in the safety-net of federal programs designed to address both long- and short-term joblessness. While such programs are no substitute for effective trade and industrial policies that will create good jobs in the United States, they can help ease some of the suffering associated with losing one's jobs and can help provide the resources and training needed to secure new employment.

SEIU is pleased that the Clinton administration is responding to the desperate need for a comprehensive workforce development policy. We are strongly supportive of the President and Secretary Reich's efforts to provide expanded training, retraining, and job search services. For many workers, the variety of services provided -- particularly the income support while in training -- would be a significant improvement over the benefits currently available to them under the JTPA Title III dislocated worker program. SEIU also supports the administration's goal of consolidating and streamlining many of the programs that currently exist to serve dislocated and other unemployed workers.

Although there are many aspects of the Reemployment and Retraining Act that are worthy of comment, I will focus my remarks this morning on the provisions of the legislation applicable to the Employment Service, particularly the One-Stop Career Center proposal.

One-Stop Career Centers

The One-Stop Career Center proposal offers an exciting opportunity to reinvent government and to put into practice the high performance principles that successful organizations have developed. SEIU strongly supports efforts to reorganize government services to become more mission driven rather than being constrained by artificially constructed boundaries. We are encouraging the development of this progressive trend so that, eventually, services will be consolidated across departmental boundaries.

SEIU is no stranger to the "one-stop shopping" concept. In a number of states, SEIU locals representing Employment Service and Unemployment Insurance workers have negotiated with state governments to merge ES and UI operations to create one-stop centers.

In New York, for example, the state government and SEIU Local 4053, the Public Employees Federation, agreed to restructure the Labor Department by merging the Job Service and the Unemployment Insurance Service into a one-stop Community Service Center. This restructuring has enabled unemployed workers to get the various services they need from one central location.

Combining the two offices has provided more efficient service delivery to the clients. In one location, clients can sign up for unemployment insurance and food stamps, as well as receive information on education and training, child care and job openings. Prior to implementing the one-stop shopping, clients had to travel to several different offices to receive these same services. Not surprisingly, those surveyed reported that the centers have greatly improved the quality of service.

Much of the success of the restructuring effort stemmed from the fact that the Labor Department's state-wide labor management committee enabled the union to play an active role in the process. Thanks to this cooperative approach, everyone involved benefitted from the reorganization.

In Pennsylvania, SEIU Local 668, the Pennsylvania Social Services Union, reached agreement with the state's Department of Labor to create a new job classification of Employment Services Program Representative. A worker under this job classification will be able to carry out the functions currently performed by an ES interviewer and a UC examiner who works on determinations.

Local 668 foresees the creation of this new position as just the first step in further collapsing of job classifications. Currently in Pennsylvania, ES and UI workers are each divided among five or six different job classifications, for a total of 10 to 12 separate job classes. Since job lines have blurred over the years, there is little rationale for retaining all of these distinct classifications. By collapsing the job classifications and creating more multi-function positions, the union believes a more cooperative and efficient working environment will be established.

After a dozen years where the Employment Service was systematically stripped of the resources necessary to do its job, SEIU members employed by the ES are eager to work with an administration that takes the needs of working people seriously. They are ready to roll up their sleeves to start rebuilding a system that can provide high-quality, customer-driven services to the nation's unemployed.

Support for a Labor Market Information System

We want to commend the Clinton administration for its efforts to develop a national Labor Market Information System (LMI). This system would provide easily accessible information about job opportunities, training programs, and labor market conditions to individuals, employers, counselors, education and training providers, and policymakers.

This system will only be as good as the information that goes into it. An initiative that would help to strengthen the LMI would be a requirement that employers list all job vacancies with the Employment Service. This is a standard practice in other industrialized countries and would benefit workers and employers alike. It would ensure the ES's ability to serve mainstream workers and employers and enhance its ability to serve as a tool of a comprehensive workforce policy.

Making this program work will also require a substantial investment in the training of ES workers. In the case of New York, for example, workers were cross-trained to perform both the unemployment insurance (UI) claims and job search functions and workers were awarded a pay increase for this new position of "labor service representative." The union also negotiated a no lay-off clause and retraining commitments. Similar provisions were negotiated in Pennsylvania. Both state governments benefitted from having greater flexibility in shifting employees between functions as client needs changed, and the clients gained by having caseworkers who were knowledgeable about a wider range of services and opportunities.

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Financing for Income Support

Title II of the Reemployment Act (S. 1951), relies on the 0.2 percent FUTA federal surtax as the financing mechanism for the income support program. SEIU fully supports the permanent extension of this 17 year old surtax to finance the Retraining Income Support Account established in the REA.

The experience under JTPA Title III demonstrates that displaced workers are unlikely to engage in retraining efforts if they lack adequate income support. By providing workers with up to 78 weeks of income support while in training, the REA is a major improvement over past practice.

The 0.2 percent FUTA tax would provide a consistent source of funding for the income support program. Those dislocated workers who choose to undergo extensive retraining efforts need some assurances that there will be adequate funding to sustain their income support throughout the length of their training. Dislocated workers have enough to worry about without having the added stress of wondering whether funding for the Retraining Income Support Account will dry up before their training is complete. The FUTA tax would provide a continuous funding stream that would support the program well into the future.

I'd also like to make the point that SEIU continues to believe that those workers whose dislocation is a direct result of government policies are entitled to specially tailored services. The Trade Adjustment Assistance (TAA) Act has given special attention to the needs of workers displaced by government trade policies for 30 years. Particularly in light of recent trade agreements, the rationale for maintaining TAA as a separate program remains stronger than ever.

Competition Among Service Providers Will Not Improve Service

The Reemployment and Retraining Act allows for two methods of operating the One-Stop Career Centers -- the consortium model and the competitive model. SEIU strongly advocates the use of the consortium approach, with the Employment Service acting as the lead agency in running the One-Stop Career Centers. In our view, the competitive model would produce some harmful effects, not only for the Employment Service, but for those using the centers as well.

We are alarmed that the legislation -- as it is currently written -- would allow states to force the Employment Service to compete with private agencies in order to be selected as One-Stop Career Center operators. Supporters of this aspect of the proposal argue that it will make the system more "accountable" by allowing regional administrators to remove Career Center operators who are not performing well.

SEIU strongly disagrees with this position. Our experiences in New York and Pennsylvania demonstrate that public sector workers and their employers are capable of

creating a flexible and responsive system without threatening them with the loss of their jobs. Research conducted for the Department of Labor has found that job security is a key component of high-performance work organizations.

In fact, the introduction of competition into the system could actually be counterproductive. In many states where we represent members, state agencies have been working hard to break down the walls between programs and to encourage greater collaboration in the delivery of services. Injecting competition into this process is likely to inhibit the sharing of information between agencies and vendors and increase the degree of fragmentation and duplication of services.

Problems could also come from another direction. In many labor markets in the United States, there may be only one or two potential service providers. This reduces the likelihood that a contractor would be disciplined for failure to perform and increases the probability that the provider will exploit its monopoly power. This has happened in a considerable number of JTPA service delivery areas. If this happens, the system will have traded public sector accountability for a private sector monopoly with no discernable improvement in service.

SEIU believes that it would be counter to the Act's own goals to promote a competitive atmosphere in the delivery of reemployment services. Therefore, we encourage the subcommittee to abandon the competitive model in favor of a "consortium" approach that would encourage service providers to join together to share information and coordinate services.

I am pleased to note, however, that the Labor Department recently expressed its intention to abandon the competitive model in the selection of One-Stop Career Centers. Furthermore, I understand that the Labor Department supports eliminating the option for proprietary entities to operate One-Stop Career Centers, even as part of a consortium. SEIU is heartened by these changes in the administration's position. However, we would like to see these modifications adopted throughout the legislation, most notably in the selection of Career Centers operators in Title I of the Act.

The Role of Performance Standards

The Reemployment and Retraining Act envisions the use of outcome measures against which the performance of One-Stop Career Centers will be measured, such as customer satisfaction, job placements, and wages at placement. SEIU supports the use of performance measures such as these to evaluate center performance.

According to the legislation, if a center fails to meet the performance standards for two consecutive years, the Workforce Investment Board (WIB) that oversees the Center will terminate the operating agreement. SEIU feels that this "two strikes and you're out" proposal is overly punitive, particularly for the Employment Service. Due to years of funding cutbacks (11 percent in real terms between FY 1982 and FY 1991), the ES has been forced to operate

with fewer offices, reduced staff and inadequate funding. The ES offices in the State of California, for example, now collectively employ less than a dozen job counselors.

In many areas of the country, the Employment Service may need some additional time to regain its competitive edge. As a result, we feel that the performance standards should be relaxed for the first few years. As a compromise, centers that fail to meet the performance standards for two consecutive years could be placed on probation and given an additional year to take corrective action.

Even if this problem is addressed, however, the use of performance standards to hold One-Stop Career Centers accountable is fraught with potential difficulties. While SEIU is supportive of using outcome measures and benchmarks as a way to improve the performance of *public* agencies, the experience of a number of federal programs with the use of performance standards suggests that there can be significant problems when governments try to use outcome measures to monitor the performance of *private* sector contractors who are providing public services.

The experience of the Job Training Partnership Act suggests that it is extremely difficult for the federal government to monitor the activities of hundreds of local private contractors. There are wide variations in quality between contractors and accusations of creaming continue to plague the system.

Another problem with the use of performance standards is that it is often difficult to translate broad program objectives into quantitative performance measures. The use of performance standards that do not correspond well to program objectives will make it more difficult to achieve those objectives.

While monitoring the performance of center operators is important, it is not the only way to improve center operations. Center managers have to be willing to reorganize work in ways that make better use of the skills and experience of their workers. It will be important for the WIBs, governors and the Department of Labor to get feedback on what works and what doesn't from the front-line workers who are providing services on a day-to-day basis. Only by establishing these kind of partnerships between labor and management will it be possible to continuously improve the quality of center performance.

Governance

One final concern we have with this proposal relates to the governance structure of these One-Stop Career Centers. Under the Reemployment and Retraining Act, One-Stop Career Centers will be governed by Workforce Investment Boards. The WIBs will have a great deal of discretion in overseeing the One-Stop Career Centers, including deciding which centers will be chartered. In most cases, the business-dominated Private Industry Councils (PICs) will be converted into Workforce Investment Boards.

We believe that the purposes of the Reemployment and Retraining Act and the programs to be established by the Act can be strengthened by greater participation by organized labor in planning and implementation. The planning process, both at the state level, at the local Workforce Investment Board level, and at the One-Stop Career Centers should be open to all stakeholders, including labor organizations, community-based groups, and employers.

While the decision of the Clinton administration to increase labor and community representation from 15 percent -- as is currently the case on the PICs -- to 25 percent on the WIBs is a step in the right direction, equal representation of business and labor should be the ultimate goal. Specifically, SEIU recommends that the Workforce Investment Boards be modeled after the State Human Resource Investment Councils authorized under Section 702 of the Job Training Partnership Act. Under Section 702, organized labor has no less than 15 percent of the Council, and business and industry have no less than 15 percent. Local public education, post-secondary and vocational education institutions, and community based organizations together have another minimum 15 percent. To ensure that the full potential of labor-management cooperation is realized, representatives of ES workers should also serve on the local advisory boards.

Additional Steps

SEIU believes that the Reemployment and Retraining Act lays some of the critical building blocks needed to formulate a comprehensive workforce development policy. The administration has taken a big step forward in creating an employment system that will help American workers in all phases of their working lives. But more is needed. In particular, the advance notice requirement of the 1988 WARN law should be strengthened so that workers and their unions have adequate time to plan for the transition. Early intervention has proven to be an effective strategy in minimizing the hardship workers experience following a mass layoff. However, the WARN law must be better enforced in order for more workers to derive the benefits of early adjustment assistance.

In conclusion, Mr. Chairman, I want to reiterate the strong support of the Service Employees International Union for the goals and principles of the Clinton administration's Reemployment and Retraining Act. While SEIU may disagree with the administration on certain aspects of the proposal, we fully endorse the legislation's objective of providing more effective help for dislocated workers and other unemployed workers. We look forward to working with you and the other members of the subcommittee to advance the goals of the President's legislation.

Testimony of Paula Holloway
before
the Senate Subcommittee on Labor
July 26, 1994

Good Morning. My name is Paula Holloway. I am happy to be here this morning to tell the Committee how I was able to make a transition from being laid off at the steel mill to a new career.

Three years ago when Eastern Stainless Steel started laying workers off, I was out of a job. Most of us at Eastern knew it was coming. You hear the rumors. At the beginning of the shift you would check to see if your name was on the list to return to work the next week. I had only been with Eastern Stainless for about 2 years, so I knew that I would be one of the first to be laid-off, and I was. Before I worked at Eastern, I spent 10 years working on and off for Armco Steel. There I was temporarily laid off over and over until I changed companies. So, I had been through this before. Every time I was laid off the job market seemed harder and tougher. At first, I looked for jobs through the job service, but there wasn't anything out there. I realized I needed to get new skills, so I decided to find a training program.

I learned about Baltimore Works from a TV Ad. Twice a week I went in for counselling. They gave me job leads and helped me set up appointments for interviews. I was able to work on my interviewing skills, improve my resume and they also gave me the opportunity to network with other people looking for jobs. When you're unemployed, its easy to feel that you're out there all alone. Meeting others you realize that a lot of people are in the same situation.

Job hunting is tough because there aren't a lot of jobs. What makes it even harder is that you don't have access to positions that are open. You have the job service and the want ads, but there are other jobs that you only hear about through word of mouth. Networking with the other job seekers helped. But even when you find out about job openings its tough to get your foot in the door.

If I called up a company concerning job openings they may not give information and they probably won't tell me if they will have any openings in the future. Even if I had the skills its difficult to get an interview because they want 2-3 years experience. That's where Baltimore Works really helped. They can talk to personnel, find out about future openings and talk to employers about their clients.

I enrolled into a 13 week claims processing training course through Baltimore Works. I was lucky because the timing was right and I didn't have to wait to start the course. I was receiving Unemployment Insurance, but I was worried becuase my benfits were going to expire before I could finish the course. I had bills to pay and other obligations. Just as my benefits were almost

exhausted, they were extended. That was a blessing. Otherwise I would not have been able to finish the course. I would have been forced to take a minimum wage job and have missed out on the opportunity to gain new skills.

During the training, insurance companies came to our class to talk to the students. They inquired about the curriculum and looked into the quality of the training course. They found that the program included the same skills they were looking for. Prudential was willing to give me a chance to prove myself by allowing me to do an internship with their company. At the end of my internship they offered me a full time job. I have been at Prudential now for two years.

Had it not been for the training, it would have been difficult for me to get a job in the medical field. My salary isn't the same as it was when I was a steelworker, but I've adjusted and I know I have the opportunity to advance. I was fortunate. Thanks to Baltimore Works everything fell into place for me. I was able to get the training and start a new career with a full-time job. But there are those who aren't so lucky. We do need services such as those at Baltimore Works to help other gain access to job training and reemployment. Thank you.

Testimony of Arnold Page
before
Senate Subcommittee on Labor
July 26, 1994

Good morning. My name is Arnold Page. I would like to thank the Subcommittee for letting me tell my story of trying to get back on my feet after I was laid off from Armco Steel in East Baltimore three years ago.

I started working at Armco steel 15 years ago. I began as a janitor working for $8.50 an hour and worked my way up into a job where I was making 40 thousand a year. I had 100% medical, dental, and optical benefits. I had made a place for myself with Armco Steel. I had learned a skill and had a job that I enjoyed and a wage and benefits to support my family. I thought Armco Steel is where I'd stay until I retired.

When I got laid-off three years ago, it was 15 years down the drain. I had no skills, at least no marketable skills and everywhere I looked there was nothing but minimum wage jobs available. I had one year of medical benefits through my union contract and I had unemployment benefits. My wife was working part-time and tried to find a full-time job, but couldn't. We lived off my wife's salary from a part-time job and our savings.

I had never worried about not being able to be the breadwinner for my family. The world has changed. You used to be able to walk out and get a new job the next day. Its been rough. When I used to see people on the street corner, I used to think, "Why don't they just get a job." Now I know what it is like. I have tried everything humanly possible to get a good job. I have followed every lead, sent out over a 100 resumes and found nothing.

I always thought that the older you get the better off you are. But these last three years I have not known how to put food on the table, not known where the next dollar is coming from. I received an eviction notice. I just sat and cried. We had nowhere to go. Both my wife and I have very little family left.

After a year my extended medical coverage ran out. I called to find out how much the coverage would cost to extend it if I paid myself. When I was told that it would cost $500 a month I almost fell to my knees. My wife has no health benefits. I have a daughter. Then when the company my wife worked for was sold, she was also laid off. We had no health insurance, no income except her UI because mine had run out.

Not having a job and medical benefits has literally taken years off my life. I am an insulin dependent diabetic and when the money was tight, I tried to stretch out my insulin by taking it only every other day. I ended up in the emergency room almost in a diabetic coma.

If I had known when I was laid-off or before I was laid off that I should and could retrain, I wouldn't be here talking to you now. I would have already completed a program and could be in a new job. Instead, I exhausted my unemployment benefits. I used up my savings. We almost lost our home and I put my life in danger because I had no health benefits.

I don't know what I would have done without Baltimore Works. They helped me take care of the basic necessities of life. They helped me keep a roof over my families head by talking to the people at the bank. They helped me get a Pell Grant for my daughter so she could go to college. The staff at Baltimore works have been my sisters - even at Christmas when there was no money to buy presents, they found a program that gave us a gift basket and $50. With their help, we could begin to put the pieces back together -- help us start to feel better about ourselves. They told me that I was eligible to receive retraining through Trade Adjustment Assistance. They helped me get certified and find a training program in building maintenance. Now I get income support so I can stay in training. I know that I'm lucky. The problem with most training programs is that you can't support your family while you're in school. I wouldn't have been able to take the training without the income support. I would have had to take a minimum wage job.

When I graduate from my training program, its still going to be tough. I'll have to start at the bottom and work my way up again - find an entry level job or apprenticeship. I've got skills but no work experience at a new trade. You can train the rest of your life but that's not the same thing as getting a job. Even with skills its tough to land a decent job with decent benefits. But at least with the training and new skills I have a fighting chance. When I was laid off from Armco Steel, I realized it was a different world. Today you have to flexible. You have to be ready for change. I'm going to continue to do everything I can to get back into a job and with the good people and information I got from Baltimore Works, I think I have a good chance. Thank you.

TESTIMONY
OF

NEW YORK STATE
LT. GOVERNOR STAN LUNDINE

BEFORE

THE LABOR SUBCOMMITTEE
OF
THE SENATE LABOR AND HUMAN RESOURCES COMMITTEE

HEARING
ON

"THE REEMPLOYMENT ACT AND WARN:
HELPING WORKERS MAKE SUCCESSFUL TRANSITIONS"

JULY 26, 1994

Good morning. I am Stan Lundine, Lieutenant Governor of New York State. Thank you for allowing me to relate New York State's experiences in restructuring its workforce development delivery system through the GATEWAY initiative.

GATEWAY is a state and local collaborative effort now operating in twenty-one counties throughout the State that focuses on the customer's needs, more than on the system's. GATEWAY's customers are job seekers, individuals who wish to improve their skills, and employers. Its mission is to give those customers access to all the services they need to achieve their goals in as convenient and as easy a way as possible.

Governor Cuomo first introduced GATEWAY in 1990. It is not a traditional government program: there is no overall state design, nor are special funds allocated for GATEWAY purposes. From the outset GATEWAY has relied on a local/state partnership that encourages local design and creative experimentation. The State assists in implementation, gives access to statewide programs and information systems, and ensures some basic consistency so that different GATEWAY communities can link together in a broader network. This gives the local partnership agencies resources to better serve their clients.

Many of our customers tell us that the key to GATEWAY is its simplicity. In February, 1994, at a conference sponsored by the United States Department of Labor, three GATEWAY clients from Niagara Falls, New York, related their experiences in finding training and a job through GATEWAY. Each had a similar reaction: "I went to one place, I gave them the information once, they helped me to figure out what I needed and they delivered it."

One of those customers, John Hahn, was invited back to the White House in March 1994 when President Clinton formally introduced the Reemployment Act. Mr. Hahn's story typifies how GATEWAY works at its best. At the age of 58, after working for 28 years in the same aerospace industry plant, Mr. Hahn was told that the plant was closing. Two years short of retirement, Mr. Hahn was left with uncertain prospects, but the next day, he explained, "GATEWAY came to me and said 'Don't worry, we'll take care of everything' and they did." Mr. Hahn is now working successfully as a bio-medical technician.

When Mr. Hahn said GATEWAY came to him, it was, in fact, representatives from the local community college, JTPA program and the Job Service. But they brought with them all the services and programs of eighteen other GATEWAY partner agencies, as well as the AFL-CIO, who had committed their resources to helping Mr. Hahn and his co-workers. GATEWAY made it easy for John Hahn. He didn't have to work his way through the maze of federal and state programs in order to find what he needed; the agencies themselves simplified the maze and guided him through.

The GATEWAY approach to service delivery creates a "no wrong door" system of services. In a GATEWAY community, a customer may contact any GATEWAY partner agency and either receive all the services they need directly or be referred to the appropriate partner agency, with a minimum of duplication. Using the latest technology, GATEWAY attempts to move information rather than people from place to place so that the customer only has to give the information once.

In many GATEWAY communities, a customer may also call an inter-agency employment "helpline" to learn about the programs and services available in the community and to be referred to the right place. In turn, employers may call one number to reach the qualified job candidates of several cooperating agencies.

The basic building blocks of GATEWAY are four statewide systems: Department of Labor Community Service Centers, Department of Education ACCESS Centers, Comprehensive Employment Outreach Service Centers, or "CEOSCS", and community colleges. These are linked with local job training programs such as JTPA and JOBS.

Labor Department Community Service Centers offer job seekers one-stop services by co-locating and integrating employment service and unemployment insurance services and often house other state and local programs such as JTPA and JOBS. Community Service Centers, which have been in place since 1988, are similar in concept to the one-stop career centers envisioned in the Reemployment Act of 1994 (although they have a different governance structure). Education "ACCESS" Centers and CEOSCS, which are also found in most

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communities, provide a full range of on-site educational services, occupational training, child care and other support. Community colleges, of course, are a powerful resource for preparing youth and adults for the modern workplace.

There are three key elements to GATEWAY's success. First, there is local design with State empowerment. At each GATEWAY site, a planning group of local and state partner agencies, schools, elected officials and employer groups decides how and where services should be offered. Second, it creates win/win situations by enabling each partner to gain by sharing services and resources. Third, it links existing programs and services without compromising their identity or integrity and thereby avoids costly duplication. Smaller local agencies have access to larger statewide programs and systems.

Based on our GATEWAY experiences, we have found significant barriers to states and localities offering comprehensive and integrated services. One of the most challenging is the fragmented and conflicting maze of federal programs and requirements. Equally important is the lack of federal funds with which to take advantage of new information systems technology that give customers easier access to a broader range of services.

The Reemployment Act of 1994 contains positive steps toward creating a more rational workforce development system that focuses more on the customer than on the bureaucracy. Its provisions for consolidation of similar programs and funding sources is a constructive first step. Larger steps that would encompass more programs and more federal agencies would be welcome. The Reemployment Act also allocates funds to carry out systemic change, which we believe will be a wise investment with immediate as well as long term returns.

Based on our experiences with GATEWAY and Community Service Centers, there is support in New York State for expanding "one-stop shopping" through an enhanced One-Stop Career Center System. The process for creating them outlined in the Reemployment Act, however, raises serious concerns, particularly for the future of our successful GATEWAY program. GATEWAY goes beyond much of what is envisioned in the Act, and allows the customer to access a wider range of services. Under the Act, for example, the Governor and local officials may select either the consortium approach, as found in GATEWAY, or have local competition to select a center operator. Based on our success with GATEWAY, we believe that governors should have the authority to propose the consortium option on a statewide basis.

Other concerns with the Act as presently drafted were detailed in testimony previously presented to this committee by New York State's Commissioner of Labor John Hudacs on behalf of the National Governor's Association. We have been encouraged by recent

discussions with the Senate, the House, and the Department of Labor that as this bill is reshaped by Congress, a number of these concerns will be addressed. Because many of the workers dislocated during the recent recession will not be in a position to benefit from new economic growth without a training and employment system to guide them, we remain very committed to passage of reemployment legislation this year.

We are creating a customer-friendly and high technology system through GATEWAY. Our successes have been possible through collaboration and coordination between statewide systems and local systems, allowing for maximum local involvement. We must ensure that the Reemployment Act gives New York State the flexibility and authority to continue to build on these gains. All our customers -- workers, individuals with human service needs, employers, their businesses and the communities which they serve -- will be the beneficiaries.

Thank you for this opportunity to testify. I would be pleased to answer any questions.

New York State GATEWAY Initiative Fact Sheet

GATEWAY

NYS HUMAN INVESTMENT SUBCABINET

GATEWAY, a 1990 State of the State initiative of Governor Mario M. Cuomo, streamlines the state's workforce development programs into a [illegible] system that helps workers retain employment, training and support [illegible] skilled workers. Local and state service providers [illegible] full range of high quality services to all customers who [illegible] wish to improve their skills or start a new career, or to [illegible] hire qualified workers.

- GATEWAY was first described in "Creating a Vision: The Workforce Preparation System of the Future", published by the Job Training Partnership Council in early 1990.

- The study called for the state's workforce preparation programs to organize into a comprehensive network of services accessible to all customers: job seekers, labor organizations and businesses.

- Governor Mario M. Cuomo endorsed GATEWAY's concepts in his 1990 State of the State Message to the Legislature and established a state Human Investment Subcabinet, bringing together the lead agencies involved in preparing New York's workforce to oversee the implementation of GATEWAY.

- The Subcabinet is chaired by the state's Director of Policy Management. Members include the state Departments of Labor, Social Services, Education and Economic Development, the Job Training Partnership Council, the State and City Universities of New York, the Division for Youth and the Division of Human Rights, the Higher Education Services Corporation, the State Office for the Aging, the Office of Alcoholism and Substance Abuse Services, and the Council on Children and Families, Division for Women, Division of Veteran's Affairs and the Office of Vocational & Educational Services for Individuals with Disabilities.

- GATEWAY is implemented through a unique local and state partnership, with all priorities and strategies established by a local planning group according to the special needs, interests and capabilities of their communities, clients, service providers, employers, geography and resources.

- In order to facilitate the implementation of GATEWAY, a Subcabinet Work Group coordinates state actions, working primarily through 5 committees that assist local planning groups in the following areas: planning and funding simplification, information management and technology, staff development, service integration, and marketing.

- In GATEWAY, there is a "no wrong door' network of service providers and schools. Customers visiting any agency can reach all the services they need as easily as possible. New York State Department of Labor Community Service Centers, the Education Department's ACCESS centers, community colleges and BOCES are all included in GATEWAY.

- Three locations with model human resource programs already in place were chosen in the spring of 1991 to test GATEWAY: Monroe, Suffolk and Niagara counties. The Bronx in New York City joined the GATEWAY pilot program in the summer of 1991.

- Since the initial four pilot counties were invited to participate, another seventeen counties have requested designation. GATEWAY networks are now in various stages of development in twenty-one counties.

- The GATEWAY sites are following a common set of guiding principles in their efforts to implement GATEWAY. This is being accomplished in partnership with the state Subcabinet by using management information technology, co-location, interagency regional and local planning, and other innovative measures.

- Each GATEWAY site organizes its own governance structure, creates a planning group that includes all job training, education and related organizations in the community and selects a local coordinator to facilitate implementation.

- Examples of local GATEWAY actions include:

  - Linking all major workforce agencies together with updated and accessible computer technology in order to move information instead of customers.

  - Co-locating key workforce development services in accessible, user-friendly sites.

  - Creating local employment and training "hot lines" to improve customer access to information and services.

  - Instituting shared job applications, job development and job listing procedures to better serve employers.

- GATEWAY has received national attention and recognition as a model for service integration and customer satisfaction. In March 1994, Niagara County's GATEWAY dislocated worker program, which organizes the services of twenty-one partner agencies, was showcased at a ceremony at the White House. The program has also been recognized by the NYS Association of Counties.

For Additional Information Contact:
The New York State Human Investment Subcabinet
Empire State Plaza
Corning Tower, 28th Floor
Albany, NY 12223
(518) 473-4683 Fax: (518) 473-4817

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Statement to the

Subcommittee on Labor

on

The Reemployment Act of 1994

July 26, 1994

by

John R. Kiley, Director

Job Training Programs

Eastern Iowa Community College District

Good Morning, Mr. Chairman and Members of the Subcommittee. I am John Kiley and I serve as the Director of Job Training Programs for the Eastern Iowa Community College District. I am pleased and honored to appear before you today. I represent a somewhat rare and special partnership between Community Colleges and Job Training Programs. This may be why you have asked me to speak with you today. I am certain that this partnership is responsible for much of our success in training and placing Dislocated Workers.

Over half of the Job Training Programs in Iowa are administered by Community Colleges and the ones that aren't work very closely with them in the design and delivery of training and services. Another unique feature of our Community College administered program is the partnership we have forged with the Employment Service to deliver the assessment, basic education, skill training and job placement components of Iowa's leading edge welfare reform program.

I would like to share some of the elements of our successful program in the hope that you can design this legislation to enable local programs to become even more effective at serving the workers and the employers of our country. These elements are:

Early Notice and Intervention to assure that workers know what their options are and how to access the training and services they need. Our local rapid response begins immediately with an in depth meeting with both labor and management of the affected company. At this meeting representatives of the Job Training Program and the local Employment Service gather information on the layoff or closing and form a Labor-Management advisory Committee to design and oversee the efforts to help the workers. If special needs have been identified before this meeting, staff of the Community College, County Human Services or other local organizations are invited to attend this initial meeting.

We then meet with the workers themselves in small groups and individually to determine what their goals and needs are. With this information and our research on the local labor market we prepare a discretionary grant application. While awaiting a federal response we will use local and state resources, if possible, to begin serving the workers.

We have an outstanding track record in serving Dislocated Workers, but we still feel badly about the "ones who got away." Typically our programs only serve about a third of the workers affected by a layoff or plant closing. Dislocated Workers often experience many of the same emotions that people feel when someone close to them dies. These emotions make it difficult for them to take practical steps to help themselves. The earlier we can meet with the workers, the better chance we have of helping them. Because of this concern, we recommend broader coverage and stronger enforcement of the WARN Act.

We need **Flexibility and Local Control** to respond to local needs and opportunities in ways that provide the best quality services and training to Dislocated Workers. We must also assure the **Fairness** of the local decision making process to be certain that the "honest brokers" utilize the best mix of local retraining and employment resources and don't exclude key partners. Procedures should be established to allow providers of education and training services recourse if they believe a Career Center is not acting as an "honest broker."

Community resources vary greatly from one part of the country to another. For example, in our area, a Workforce Development Task Force of community leaders have been working for the last year on the logistics of establishing one-stop career centers. Rather than quarrel over turf or who should be the presumptive source for all services we have adopted a consortium approach that allows each organization to bring its expertise to the table. Meaningful and lasting coordination is best achieved at the local level on a person to person basis. If Congress and the Administration can set clear, measurable goals for the Reemployment Program, community leaders serving on local councils can identify the local resources and select the best combination of service and training providers. Our Private Industry Council has been very helpful to us in this regard.

The Reemployment Act must have an **Investment Focus**. It is critical that we invest in our workforce, invest in our new and expanding employers, invest in high quality education, invest in great local programs and expect a Return on your Investment! Investments in efforts to train and place Dislocated Workers should be linked directly to federal, state and local economic development investments in the area. This will assure that the retraining offered to Dislocated Workers provides the skills needed by new and expanding businesses and will help keep these businesses competitive.

Our Community College District administers Iowa's New Job Training Program, a state funded program that has resulted in over 60,000 new jobs in the state. The Community College is also responsible for the Iowa Training Program. This program is designed specifically to help currently employed workers keep their jobs by offering necessary skill upgrading to them through their employer. In four years over 15,000 Iowa jobs have been saved by this program. I support the provisions of the Reemployment Act that allow this preventive approach to helping workers, but I would recommend that the discretion to use funds to help endangered workers be available at the local level as well as the state level. I also understand that legislation in the House of Representatives (H.R. 4222) would provide grants to states to guarantee loans to employers, representatives of employees, and other entities to provide skills upgrading for non-managerial employees. This Bill could help Iowa to expand a very successful program that helps employers and workers.

The Reemployment Act must enable programs to be Responsive to Worker's Individual Needs. Dislocated Workers are a diverse group of individuals with diverse needs. We serve older workers, farmers who have lost their farms, and women who must train for and find non traditional employment to support their families. To be truly effective at retraining workers this Bill must respond to their true individual needs.

Some of our Dislocated Workers have found good jobs with just career counseling and job search assistance. Some have needed basic skills training to enable them to retrain. Others have needed short term skill training to upgrade or update existing skills. Title I of the Act appears to limit the use of funds by setting them aside for extended benefits. This decision making authority should reside at the state and local level closer to the worker and their needs.

Education is the key to the successful retraining and placement of Dislocated Workers and other unemployed individuals. Our nation has a tremendous Education Resource in its Community Colleges. Too often this vital resource has been under utilized in previous employment and training efforts. Our Community College has been our primary contractor for assessment, basic education, GED preparation, workplace literacy, pre-employment activities, and skill training.

Through the Community College's efforts we have also been able to form "Training Consortia" of employers who have common training needs. This has resulted in the design and delivery of some very successful (100% placement) short term skill training for Dislocated Workers. Your efforts to make it possible for other Community Colleges around the country to be the kind of partners Eastern Iowa Community College h a s been will make this a better program for Dislocated Workers.

Dislocated Workers and the local job training programs that support and retrain them need and deserve your **Sustained Support.** Retraining Dislocated Workers to provide them with competitive skills often takes two years or more. Current unemployment policy usually limits benefit payments to twenty-six weeks. This seventy-eight week gap in support makes it difficult, if not impossible, for many Dislocated Workers to participate in high-skill retraining and relegates these workers to low-skill jobs and long term under-employment.

Local job training programs also need your **Sustained Support.** Investments in employment and training infra-structure are important. However, these should not be funded at the expense of getting the retraining dollars to Dislocated Workers. We are constantly running out of funds before workers needs have been met. Current funding formulas allow cuts of as much as 40% in a single year despite "90 % hold-harmless" protection!

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Truly effective employment and training programs are the result of **Teamwork.** These programs seek out the best partners in the community and establish long term working Teams. These Teams are built on trust, communication and cooperation. The success of the worker is the unifying theme and goal of all that these Teams do. You are in an excellent position to create an "Win-Win" Team environment as opposed to a "Winner Take All" environment for state and local deliberations on establishing One-Stop Career Centers.

Our Workforce Development Center Task Force and the Quality Workplace Consortium, a team that has delivered basic skills and literacy to hundreds of area workers under a national United Way/ UPS Challenge Grant are two examples of local teams consisting of Business, Education, Labor, Job Training, Job Service, and Community Based Programs that have been able to focus on what is best for the workers and the employers who are our customers. Please encourage state and local **Teamwork,** but avoid overly prescriptive mandates and designs that promote one service delivery system over all others.

Thank you for this opportunity. I would be happy to answer any questions you may have.

THE UNITED STATES CONFERENCE OF MAYORS

1620 EYE STREET, NORTHWEST
WASHINGTON, D.C. 20006
TELEPHONE (202) 293-7330
FAX (202) 293-2352
TDD (202) 293-9445

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Statement by

Patrick McManus

Mayor of Lynn

Member, Advisory Board
The United States Conference of Mayors

before the

Subcommittee on Labor
Committee on Labor and Human Resources
United States Senate

July 26, 1994

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Chairman Metzenbaum, members of the Subcommittee, I am Pat McManus, Mayor of Lynn and a Member of the Advisory Board of The U.S. Conference of Mayors. I am pleased to have the opportunity to appear before you on behalf of the Conference of Mayors to discuss both the Reemployment Act and the Worker Adjustment and Retraining Notification Amendments Act.

The Conference of Mayors worked closely with you, Senator Metzenbaum, on the original WARN legislation. The Act aims at securing and preserving our valuable experienced work force without placing undue hardships on the employing companies. Clearly we have seen many benefits in our communities from the Act.

Experience with the WARN Act in Lynn

In Lynn, the WARN Act is proving to be an effective re-employment adjustment instrument in assisting workers targeted for dislocation due to plant closings or major reductions in a company's work force. We in the North Shore Service Delivery Area in Massachusetts are currently satisfied with the implementation of the WARN Act. General Electric has had ongoing lay-offs and has abided by the Act's provision to notify employees 60 days in advance of impending lay-offs.

The State's dislocated worker agency, the Industrial Service Program, has a rapid response unit that has received the cooperation of G.E. and two other company's whose plants have closed: Babco Textron and Walbar. The unit works at the company sites in cooperation with management and the unions to assist the employees in planning for their dislocation. The

services provided to these employees during the 60 day advance notice period is essential to the easing of their trauma and the reinforcement of their self-confidence. This transitional period is the first significant stage in their stabilization and the re-employment path that followers through the Worker Assistance Centers that have been created to serve these dislocated workers.

Recommended Changes in WARN

Although we are not aware of any companies in our region that have not responded to the will and spirit of the WARN Act, our Regional Employment Board knows that problems do exist in other regions. Clearly there are companies who avoid the Act's requirements through incremental lay-offs of less than 50 employees, thereby averting the need to provide the 60 day notice and related support services to which these employees should be entitled.

The Industrial Service Program's rapid response unit has recommended that the WARN Act should include sanctions against those employers, especially those receiving government funds, who do not cooperate with the state to provide timely notice to workers that are scheduled to be dislocated and to enable them to receive transitional re-employment adjustment service while presently employed. We agree with this recommendation.

In addition, we are aware of the GAO report on the WARN program, which found major deficiencies in WARN relating to coverage, compliance and enforcement. We agree with you that these three problems must be addressed through amendments to the WARN Act if we are to provide better protection to our workers and their communities.

The Reemployment Act -- Title I

In addition, we understand the importance of strengthening the WARN provisions as we move to reform, expand and consolidate a variety of dislocated worker provisions through the Re-employment Act. We support broader coverage for dislocated workers regardless of the cause of dislocation. Indeed, we believe that extended benefits should be available to dislocated workers regardless of their eligibility for Unemployment Insurance. In addition we believe that rapid response and early intervention services should be made available through a locally-designated and designed one-stop shopping system as soon as layoffs are announced and before workers lose their jobs.

I must add that the proposed legislation takes on greater importance as we see the impact of military base closures and the downsizing of the defense industry in our country. Economic conversion and assisting communities to adapt to these changes is a top priority of the Conference of Mayors. Strong WARN statutes and an enhanced dislocated worker program can play a key role in successful local adjustment to such changes.

The Reemployment Act -- Title II

While this panel is addressing the WARN Amendments and Title I of the Reemployment Act, I cannot miss the opportunity to comment as well on Title II of the Reemployment Act which addresses one stop career centers. We support the basic direction of Title II, but there are several provisions which we find troubling. Representatives of the Conference of Mayors and of our Employment and Training Council met with officials at the Department of Labor on

numerous occasions while the legislation was being drafted. Some of our concerns were addressed during that process. The ones I will mention now we hope can be resolved during the legislative process.

While we support comprehensive, integrated delivery systems, the one-stop center provisions of the Reemployment Act however, addresses only the intake services, which account for about 10 percent of the total service delivery system. Other components of that system include education, training, job search, job placement, and job retention, together with ongoing case management that facilitates a customer's progress through the components. Helping the customers move through the system is equally, if not more, important than intake. If this legislation is intended to promote customer satisfaction, then it must address the delivery of all services in the delivery system. Two things, in particular, work against developing an integrated system that meets the needs of the customers: 1) the prescriptive nature of the delivery of the sections regarding intake services and 2) the failure of the proposed legislation to indicate where accountability and liability, both fiduciary and political.

Because urban areas are so diverse, the involuntary consolidation of large cities into larger metropolitan sub-state areas can have a negative effect on services to customers in the central cities. The chief elected official, in conjunction with the Workforce Investment Board (WIB, should have the authority to determine whether the community's needs are better met if the city is its own service delivery area or if it is part of a consortium representing the larger metropolitan area.

The local WIB should have the opportunity to determine the scope of its role -- either oversight or operations or both -- because it is able to examine what is best for the local community. When one entity, such as the Employment Service, is a presumed deliverer of intake services, the entire process of using the WIB to determine what the local community needs is undermined. With regard to separating the duties of WIBs and services deliverers, again the WIBs should determine how best to structure the system in their communities. Separation should no be an absolute rule, abstractly imposed, but one option among several to be exercised at the WIB's direction in view of what will best serve local customers.

We have a long standing policy for direct federal-city funding. At a minimum, there should be an explicit, federally-mandated, sub-state funding formula that takes into account the needs of major cities, and customers living in those cities.

Because a limited amount of funds will prevent one-stop career centers from offering intensive services to everyone, those who face the most barriers to employment may not get enough support services to help them successfully move through the delivery system and find and maintain employment. People who are not in the economic mainstream will find it even harder to find services that meet their needs. This is of particular importance given the current proposals for welfare reform which are going to require that jobs in either the public or private sector be found for welfare recipients. Career centers should have a key role to play in this effort, yet they may not have the resources to accomplish it.

I hope that our comments are helpful to the Subcommittee. I will be glad to expand upon them in the question and answer period. Thank you for the opportunity to appear before you this morning.

Statement of Charles L. Best Jr.
Director
King County Reemployment Support Center
Before the U.S.Senate
Committee on Labor and Human Resources
Labor Subcommittee

Mr. Chairman and members of the committee, my name is Charles L. Best Jr. and I direct the King County Reemployment Support Center in Seattle, Washington.

Established in 1987 by the State of Washington to increase the capacity of local communities to aid their unemployed and dislocated workers, the King County Reemployment Support Center assists victims of plant closures and other economic dislocation. The Center works closely with Washington State Employment Security's Dislocated Worker Unit, the Seattle-King County Private Industry Council, and other local resources as partners in our Community Response Team.

The Community Response Team provides technical assistance and dislocated worker services to Employee Transition Committees. Transition Committees are comprised of managers, employees, unions when present, and local service providers. They are the primary vehicle used by the Community Response Team to organize services at businesses closing or laying off large groups of employees.

Since 1989 our Community Response Team has relied heavily on early notification pursuant to the WARN Act as the main mechanism for initiating a locally coordinated response to worker dislocation. Upon receipt of a WARN notice, the State Dislocated Worker Unit contacts the employer, and any employee organization present, to set up an initial meeting. At the initial meeting the Community Response Team advocates for the establishment of an Employee Transition Committee. Together with the employer, employees, and any collective bargaining representatives, the Team sets a date for an organizational meeting. Once organized, the Transition Committee identifies employees' needs and coordinates the delivery of dislocated worker services. Many of these services are provided prior to the closure or layoff. As you can see, significant early notification is critical to a rapid and coordinated response.

I believe two examples might illustrate both the best and worst of WARN as it is currently written.

In 1991 the fifty employees of the Westin Hotel's Trader Vic's restaurant received ninety days notification of closure. Within 48 hours the employer and the Hotel Employees and Restaurant Employees Union Local #8 were contacted by the Dislocated Worker Unit. A meeting was set up with the Community Response Team where it was determined that the older, immigrant workforce of this theme restaurant

would require significant reemployment support. We therefore agreed to establish the Trader Vic's Reemployment Committee

Through an employee survey which was developed, distributed, and collected by the Reemployment Committee we identified the workers' needs and provided pre-layoff assistance including intensive outreach to other food and beverage employers across the county, on-site presentations on unemployment insurance, training, community-based resources, retirement, credit matters and reemployment counseling.

By the date of the closure, 42 of the 50 employees had secured new employment, entered self-employment, or availed themselves of their union retirement benefits. In addition several workers were enrolled in or were investigating vocational training through the Private Industry Council.

It is evident that ample early notification allowed the Community Response Team together with the employer and the union to provide a high level of reemployment support services resulting in successful transition to new employment for the victims of the Trader Vic's closure

While the WARN Act worked for workers and the employer at Trader Vic's, it failed miserably at Advanced Technology Labs.

On August 23, 1993, ATL informed 170 employees at lunchtime that they would be laid off effective 5:00 PM that very same day! To add insult to injury, this mass layoff had been part of a long-planned workforce reduction. ATL relied on the "one third of the workforce or 500 employees" loophole, otherwise known as the "mass layoff exemption" in the WARN Act, to claim it was not required to provide its employees advance notice.

The Community Response Team learned of this dislocation through a report in the local newspaper. Advanced Technology Laboratories President Dave Perozek claimed that early notification and pre-layoff assistance was unnecessary because of a severance package provided the employees.

To date, the Community Response Team has been unable to identify the affected workers much less be able to provide them any reemployment support. No workers have enrolled in readjustment programs or vocational training through the Private Industry Council. The Center's seven years experience with similar situations tells us that absent notice and pre-layoff assistance many of the ATL dislocated workers will fall through the cracks, struggle to regain new employment, and secure new employment at considerably less pay with inferior benefits!

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As these examples indicate, in order to build on the strengths and eliminate the weakness of the WARN Act, the King County Reemployment Support Center recommends the following:

1. Eliminate the mass layoff loophole by covering all layoffs that effect 25 or more employees in any six month period.

2. Lower the company size threshold to 50 or more employees in order to cover more dislocated workers.

3. Provide a longer notification period. As Trader Vic's proved, more time to prepare means a more successful transition to reemployment.

In conclusion, the King County Reemployment Support Center sees the WARN Act as the key to effectively responding to plant closures and mass layoffs. Significant early notice allows the employer, affected workers, and dislocated worker service providers to plan and implement a coordinated and comprehensive program of reemployment support. This in turn results in a more orderly and successful transition to new jobs for dislocated workers.

Thank you.

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Testimony of Chris Scriver
Before the Senate Labor and Human Resources Committee
Subcommittee on Labor
July 26, 1994

My name is Chris Scriver. I live in Lake City, Tennessee. I am here representing the Greenbrier Workers Committee. I am here to try and stop what happened to us from happening to anyone else.

I worked at Greenbrier Industries in Clinton for seven years. We made clothing and tents for the US Military. At the time the plant shut down last July, 450 people worked at it. People at Greenbrier made about $ 5.00 an hour. You can't save no money on that.

Last year during our usual July 4 vacation we began to suspect that something was wrong. Our vacation was extended an extra week. Greenbrier said there was no big problem, just a temporary shortage of material. We really couldn't find anything out from the company. I found out about the closing when a TV reporter called me. Most of the workers found out about the closing that same day on the 6:00 TV news. WE GOT NO ADVANCED NOTICE.

There was still plenty of work when it closed. The plant had $34 Million in government contracts at the time of the closing.

The closing really tore me up. That first week I cried every day. I went to bed crying and I got up crying. Everybody was tore up. People were wondering how to pay their bills.

One girl I worked with was eight months pregnant when the place closed. She didn't have insurance from the company but they still took $32 insurance money out of her last check. She complained and got a $32 check from the company. It bounced. She called me in tears because she didn't have the money to cover that bounced check. The next time I tried to call her phone was disconnected. I never heard another word about her.

Another guy I worked with, Red Sailures, wanted to buy a new car. During the vacation he asked the plant manager if anything was wrong. The plant manager assured him that everything was fine. Red went out and bought a new Ford Bronco. The next week he heard the place was closed. About a month later he almost died from a big heart attack. I figure it was the stress and the worry that done it.

Because we got no notice, we had no chance to prepare. If we had gotten notice people could have gotten a little ahead on their bills. If we had got notice people could have gotten their medical bills straightened out. If we had gotten notice people would have had time to find another job, or plan to get in a retraining program. If we had gotten notice, Red wouldn't have

bought a new Bronco and probably wouldn't have had a heart attack.

There are not many other jobs in this area. I had to go back to work right away. When I was working at Greenbrier, I was driving 14 miles a day to work. Now, when I am working, I drive 62 miles a day. Some people drive even further.

The worst result of the closing was what happened with our medical bills. Greenbrier was completely self-insured. When it closed we all lost our insurance and we had no chance to get the COBRA extension.

But even worse than not having any insurance was that Greenbrier hadn't been paying on past due bills. So people got stuck with big bills that Greenbrier was supposed to pay. Just among the people I know here are some examples.

* My brother Jimmy worked at Greenbrier. He had his first baby in December, eight months before the plant closed. He got pre-approval for the birth. When the plant closed he though it was all paid for. His baby had an ear infection in April. I called the management company and got approval for the treatment. He thought that was all paid for. After the plant closed he got a bill for over $4,000. Greenbrier paid zip.

* Mary Gibson's husband died suddenly of cancer. Greenbrier should have paid her $38,000 in medical bills and a $10,000 life insurance policy. She got zip.

* Louise Lowe's husband had cancer. Greenbrier should have paid the $15,000 in medical bills. She got zip.

* Jack Taylor's son had to have his tonsils out. Greenbrier should have paid the $8,000 medical bill. He got zip.

* Sandra Hampton was owed $44,000. She got zip.

* Donna Burke was owed $1,700. She got zip.

There are lots more people who owe money that Greenbrier should have paid.

Remember, the hospitals didn't tell people they owed this money until after the closing. All these folks were just like my brother. They thought they were fine until after the closing. If folks had known Greenbrier would have paid the bills. Right now I don't think these bills will ever be paid.

The WARN Act should have helped us but it didn't. We talked to several lawyers about filing a WARN Act lawsuit. None of these lawyers would even take the case because there was no money.

If I break into your house and steal your money, you don't have to hire and attorney to get anything done. Greenbrier stole my

money. Why should I have to hire an attorney???

To us Greenbrier workers the most important changes that need to be made in the WARN Act are:

1) We need government enforcement of the law. The Department of Labor should be able to investigate and prosecute people for violations of the WARN Act. Lots of the Greenbrier workers feel like we got shafted and nobody even noticed. If Greenbrier was convicted or fined, it would make alot of us feel like there still is some justice in the world.

2) The punishments available should included damages, not just actual costs. Under the present law, no company can end up paying more for violating the law than they would have for following it. That is not right.

3) The law should cover all workers, part-time, full-time, whatever.

4) Longer notice will help alot. For poor folks like us 90 days is a lot more time to save up money and get ahead on some bills.

5) WARN Act rights should be posted. Most people at Greenbrier had no idea we even should have gotten notice.

I urge you all to support these needed improvements in the WARN Act.